GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2640
ANSWERED ON:16.12.2004
LICENSES TO COMPANIES UNDER N.E.L.P.
Shiwankar Shri Maha Deo Rao

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has formulated a scheme to issue licences to the companies for exploration of oil and gas under new oil exploration licencing policy as reported in `Rastriya Sahara` dated November 27, 2004;

(b) if so, the percentage increase in crude oil production during the year 2004-05 as a result of steps taken to increase domestic availability;

(c) the total production of crude oil in metric tonnes during the period from April to September this year;

(d) the places and areas where the oil will be explored by the oil companies to whom the licences have been issued; and

(e) the expenditure incurred by the Government on exploration of oil fields during the year 2003-04 till date?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) The Government approved the New Exploration Licensing Policy (NELP) in 1997 which has been in operation since 1999. Four rounds of bidding have been completed. Bids for the exploration of blocks under the fifth round are expected to be invited in the first week of January, 2005 after completing various preparatory activities leading to the invitation of bids. It is proposed to offer around 20 blocks in onland, shallow water offshore and deep-water areas of the country.

(b)& (c):- Since there is a time lag between discovery and development/production, crude oil production in 2004-05 will not increase as a result of hydrocarbon discoveries made by Private/Joint Venture companies in NELP Exploration blocks. However, total crude oil production from April, 2004 to September, 2004 was 16.987 Million Metric Tonnes (MMT), which is 4.2% higher than the corresponding period of last year.

(d) Out of 90 blocks for which contracts have been signed with various Public Sector Undertakings/Private Companies/Joint Ventures under the four rounds of NELP for exploration of oil and gas, 26 blocks are onland, 30 blocks are in shallow water and 34 blocks are in deep water area.

(e) Under the NELP, no investment from Government is required in the exploration of blocks. However, as on 31st March, 2004, the investment made by the awardee companies in exploration blocks under NELP was to the tune of Rs.3047 crores (provisional).